

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7666

BILL NUMBER: HB 1786

DATE PREPARED: Jan 15, 2001

BILL AMENDED:

SUBJECT: Worker's Compensation Medical Records.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides for employee medical records privacy in worker's compensation cases. It provides a mechanism for an employee to correct inaccurate personal health information. The bill limits the collection of an employee's personal health information to that reasonably necessary. It allows a trustee to disclose an employee's personal health information without the employee's consent only to prevent or reduce a serious and immediate threat to the employee or to the public health or safety. It also establishes a procedure for use of an employee's personal health information by a research organization conducting scientific, medical, or public policy research. This bill provides civil penalties for unauthorized use or disclosure of personal health information.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill provides privacy for an employee's worker's compensation medical records. It states how the records may be used or disclosed and provides the employee the right to a copy of the records. The bill could increase state expenditures by an unknown amount. The increase in expenditures might occur if the employee receives an increase in benefits as a result of having copies of the medical records or requirements provided in the bill.

The impact on the state would be as an employer.

Compensation paid to state employees, exclusive of medical benefits, totaled approximately \$2.9 M in FY 1996, \$3.1 M in FY 1997, \$3.4 M in FY 1998, \$3.7 M in FY 1999, and \$3.9 in FY 2000.

Explanation of State Revenues: The bill also provides for civil penalties ranging from \$50,000 to \$500,000 for violations of the law. The Worker's Compensation Board would assess the penalty. The bill would have an unknown positive impact on state General Fund revenue.

Explanation of Local Expenditures: The bill could increase local expenditures by an unknown amount. The impact on locals would be as employers.

Explanation of Local Revenues:

State Agencies Affected: Worker's Compensation Board, All Agencies

Local Agencies Affected: All Units

Information Sources: